

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		5. Lease Serial No. UTU-73687
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		2. Name of Operator QEP - UINTA BASIN INC		6. If Indian, Allottee or Tribe Name
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329		7. If Unit or CA Agreement, Name and No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE 797FSL 499FEL 40.13211 N Lat, 109.39961 W Lon At proposed prod. zone 4443447Y 40.13218 636416X -109.39885		11. Sec., T., R., M., or Blk. and Survey or Area Sec 11 T8S R22E Mer SLB		8. Lease Name and Well No. OU SG 16W-11-8-22
14. Distance in miles and direction from nearest town or post office* 32 +/- MILES SOUT WEST FROM VERNAL, UT		12. County or Parish UINTAH		9. API Well No. 43-047-35376
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 499' +/-		16. No. of Acres in Lease 1595.00		10. Field and Pool, or Exploratory KENNEDY WASH
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1000' +/-		19. Proposed Depth 7990 MD		11. Sec., T., R., M., or Blk. and Survey or Area
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5088 KB		22. Approximate date work will start		12. County or Parish UINTAH
		23. Estimated duration 10 DAYS		13. State UT

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Raleen Searle</i>	Name (Printed/Typed) RALEEN SEARLE	Date 11/26/2003
Title REGULATORY AFFAIRS ANALYST		RECEIVED DEC 02 2003
Approved by (Signature) <i>Bradley G. Hill</i>		
Name (Printed/Typed) BRADLEY G. HILL		Date 12-04-03
Title ENVIRONMENTAL SCIENTIST III DIV. OF OIL, GAS & MINING		

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #25540 verified by the BLM Well Information System
For QEP - UINTA BASIN INC, sent to the Vernal**CONFIDENTIAL**

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

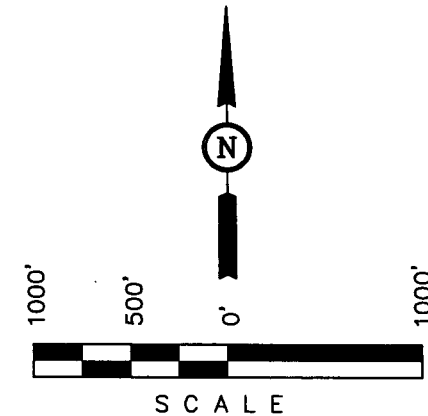
T8S, R22E, S.L.B.&M.

QUESTAR EXPLR. & PROD.

Well location, OU SG #16W-11-8-22, located as shown in the SE 1/4 SE 1/4 of Section 11, T8S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

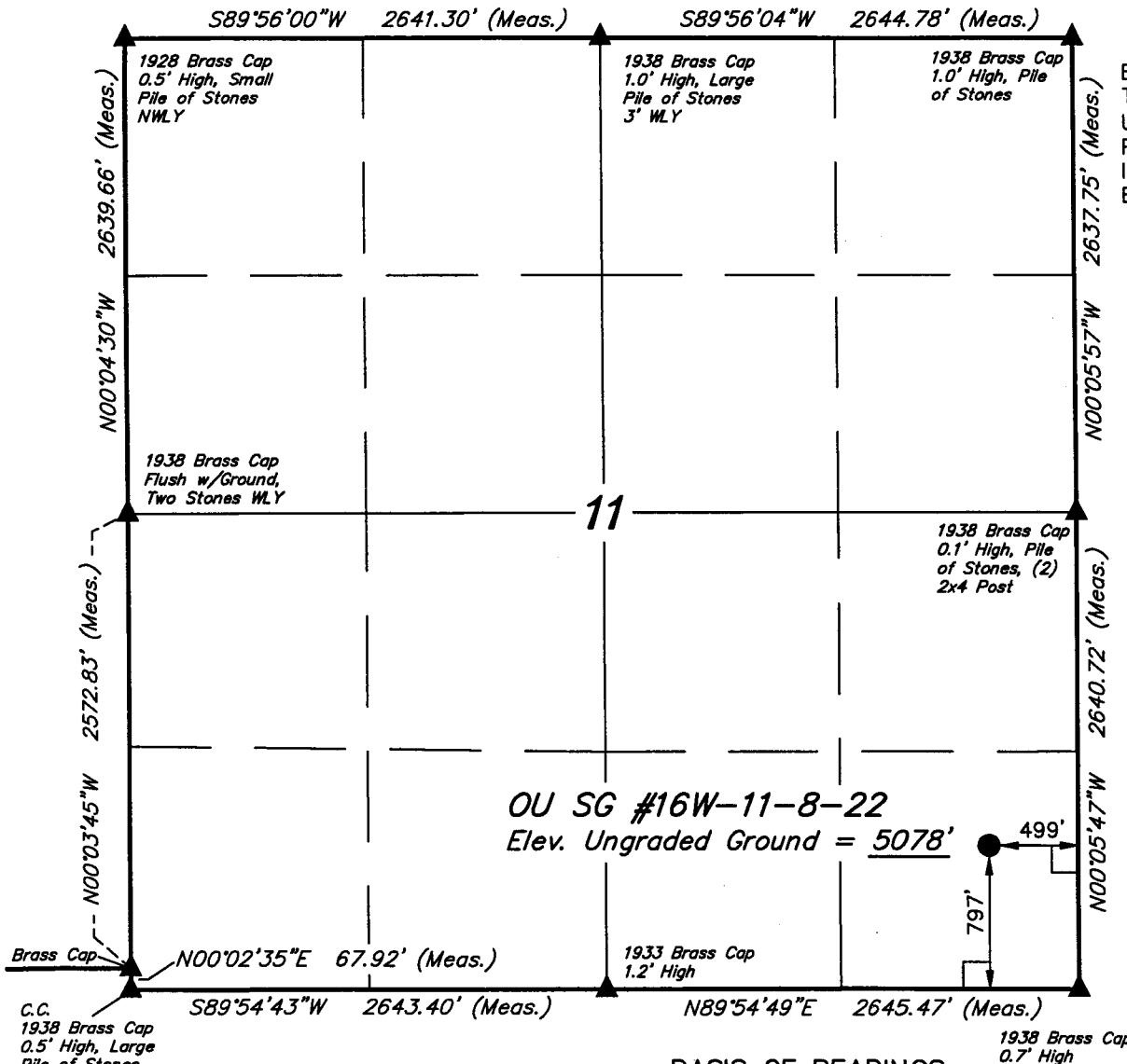
BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Richard L. Key
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 83)

LATITUDE = 40°07'55.58" (40.132106)

LONGITUDE = 109°23'58.58" (109.399606)

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

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UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 02-24-03	DATE DRAWN: 02-25-03
PARTY B.B. M.P. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOLD	FILE QUESTAR EXPLR. & PROD.	

QEP Uinta Basin, Inc.
OU SG 16W-11-8-22

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>
Uinta	Surface
Green River	2529
Mahogany Ledge	3479
Wasatch	5989
TD (Wasatch)	7990

2. Anticipated Depths of Oil, Gas, Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Oil/Gas	Wasatch	7990

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 3196.0 psi.

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**QEP UINTA BASIN, INC.
OU SG 16W-11-8-22
797' FSL, 499' FEL
SESE, SECTION 11, T8S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-73687**

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the OU SG 16W-11-8-22 on November 4, 2003. Weather conditions were cloudy and cool at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buehler	Bureau of Land Management
Dixie Sadleir	Bureau of Land Management
Jan Nelson	QEP/SEI
Raleen Searle	QEP/SEI

1. Existing Roads:

The proposed well site is approximately 32 miles Southwest of Vernal, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

There will be no improvements made to existing access roads.

2. Planned Access Roads:

Please see QEP Uinta Basin, Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see QEP Uinta Basin, Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map D for the location of the proposed pipeline.

5. Location and Type of Water Supply:

Please see QEP Uinta Basin, Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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6. **Source of Construction Materials:**

Please see QEP Uinta Basin, Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

7. **Methods of Handling Waste Materials:**

Please see QEP Uinta Basin, Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

8. **Ancillary Facilities:**

Please see QEP Uinta Basin, Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. **Plans for Reclamation of the Surface:**

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Township 07 and 08 South, Ranges 21 to 24 East.

Seed mix	
Gardner Saltbush	4lbs/acre
Crested Wheatgrass	4lbs/acre
Crested wheat	2lbs/acre
Indian Rice Grass	2lbs/acre

11. **Surface Ownership:**

The well pad and access road are located on lands owned by:

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

12. **Other Information**

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

There is a Burrowing Owl Stipulation from April 1st through August 15th. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

A rights-of-way will be required for the part of the road that travels off lease in Section 13. The part of the road that goes off lease in section 13 is +/- 1200' in length with 30' in width with a running surface of 18' it will be crowned (2%-3%) and ditched.

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Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
QEP Uinta Basin, Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

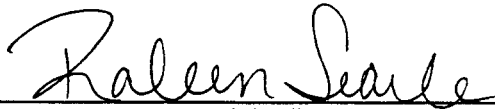
Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP Uinta Basin, Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP Uinta Basin, Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



for - John Busch
Red Wash Operations Representative

24-Nov-03
Date

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Additional Operator Remarks:

QEP Uinta Basin, Inc. proposes to drill a well to 7990' to test the Wasatch. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Wasatch formation wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

See Onshore Order No. 1 Attached

Please be advised that QEP Uinta Basin, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. ESB000024. The principal is QEP Uinta Basin, Inc. via surety as consent as provided for the 43 CFR 3104.2.

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QUESTAR EXPLR. & PROD.

FIGURE #1

LOCATION LAYOUT FOR

OU SG #16W-11-8-22

SECTION 11, T8S, R22E, S.L.B.&M.

797' FSL 499' FEL

Proposed Access Road

F-1.4'
El. 71.7'

Approx.
Toe of
Fill Slope

SCALE: 1" = 50'
DATE: 02-25-03
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.

Existing
Drainage
Approx.
Top of
Cut Slope

FLARE PIT

C-9.1'
El. 82.2'

El. 89.4'
C-28.3'
(btm. pit)

70'

RESERVE PITS
(12' Deep)

SLOPE 1-1/2 : 1

150'

10' WIDE BENCH

Total Pit Capacity
W/2' of Freeboard
= 10,560 Bbls. ±
Total Pit Volume
= 2,930 Cu. Yds.

El. 81.5'
C-20.4'
(btm. pit)

C-3.3'
El. 76.4'

C-3.9'
El. 77.0'

Pit T.S.

C-0.3'
El. 73.4'

F-8.7'
El. 64.4'

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5077.8'

FINISHED GRADE ELEV. AT LOC. STAKE = 5073.1'

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UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QUESTAR EXPLR. & PROD.

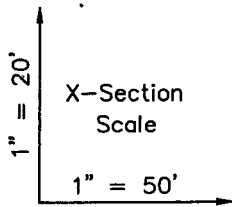
TYPICAL CROSS SECTIONS FOR

OU SG #16W-11-8-22

SECTION 11, T8S, R22E, S.L.B.&M.

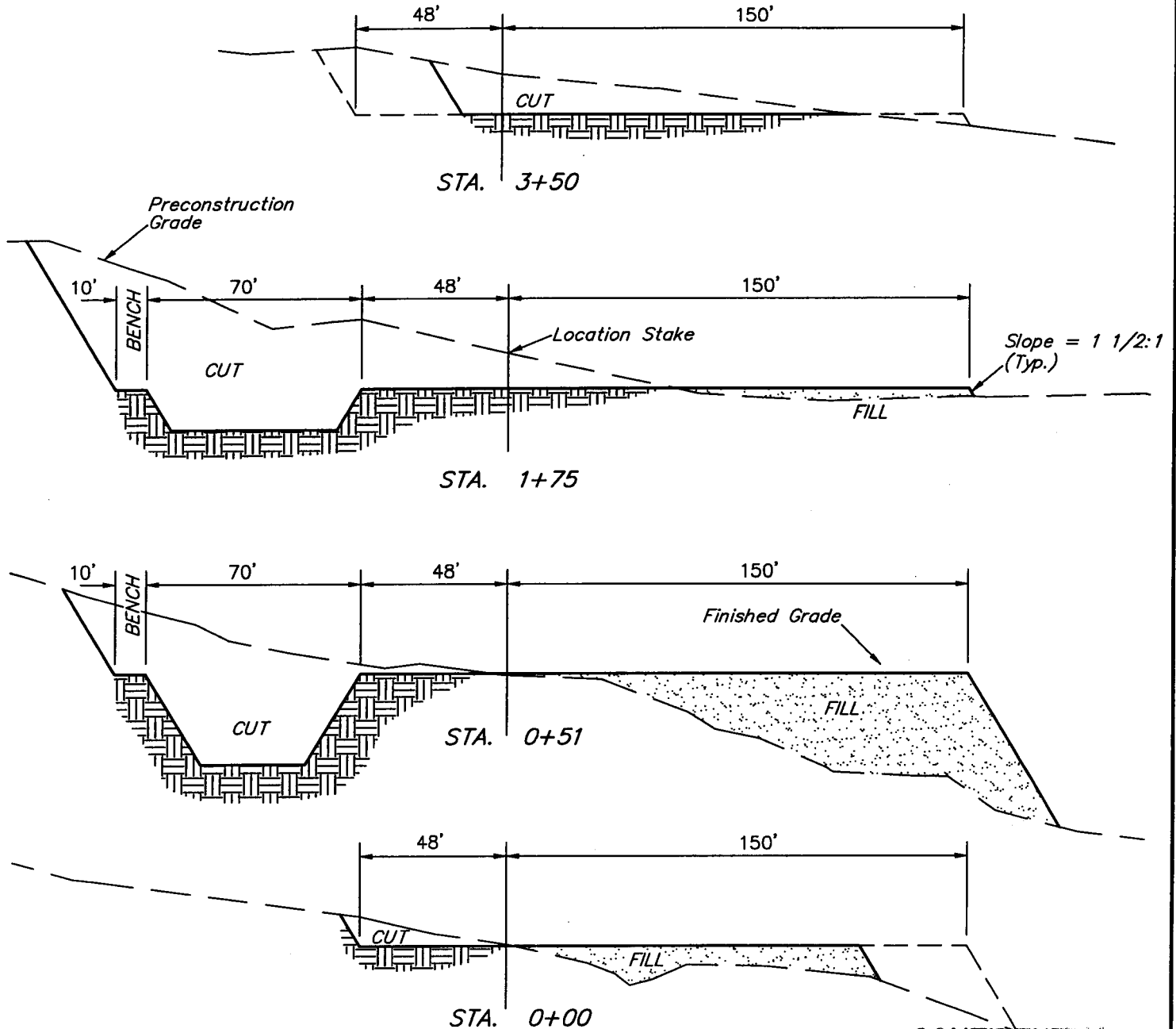
797' FSL 499' FEL

FIGURE #2



DATE: 02-25-03

Drawn By: D.R.B.



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APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,540 Cu. Yds.

Remaining Location = 12,700 Cu. Yds.

TOTAL CUT = 14,240 CU.YDS.

FILL = 10,680 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION

= 3,000 Cu. Yds.

Topsoil & Pit Backfill
(1/2 Pit Vol.)

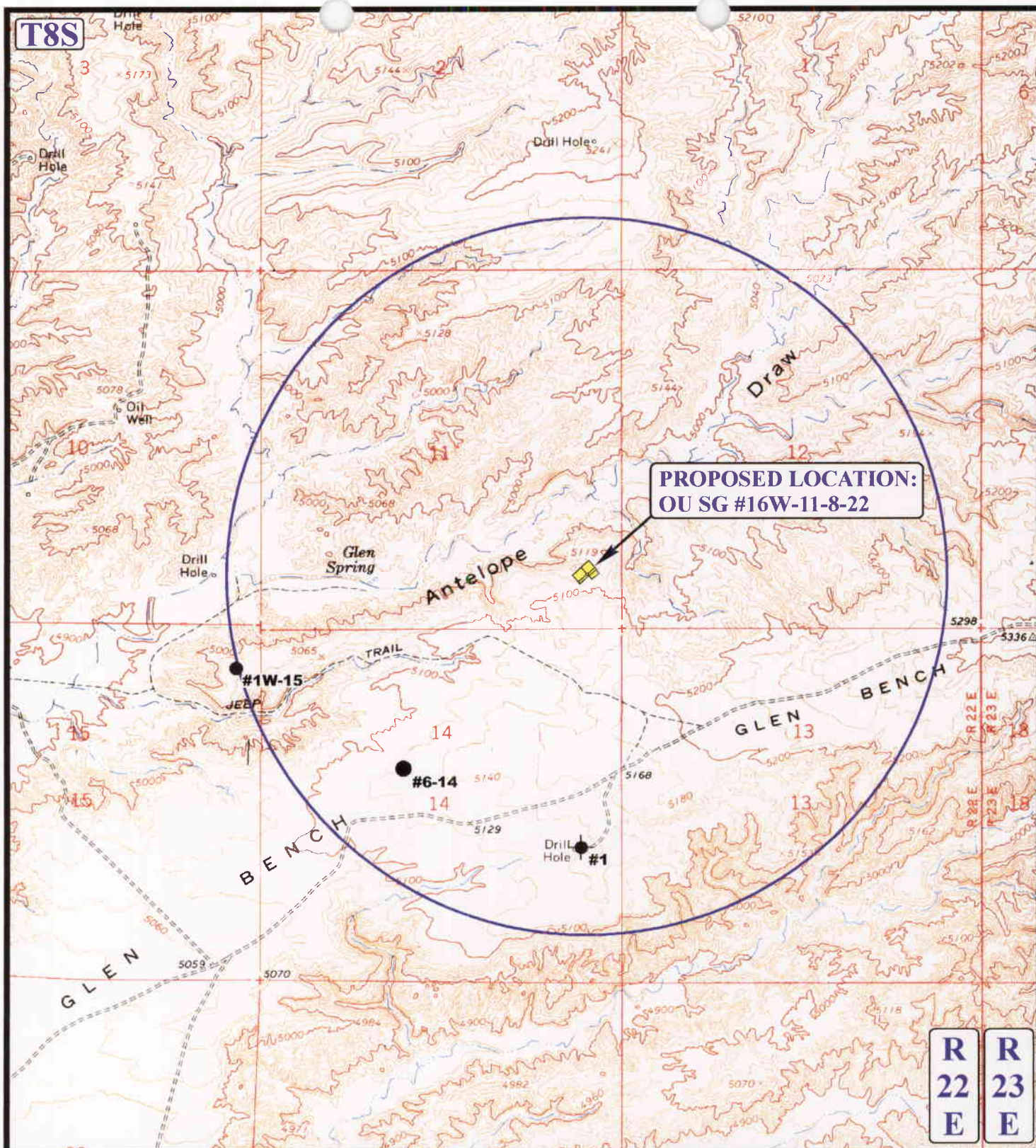
= 3,000 Cu. Yds.

EXCESS UNBALANCE
(After Rehabilitation)

= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

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LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

QUESTAR EXPLR. & PROD.

OU SG #16W-11-8-22
SECTION 11, T8S, R22E, S.L.B.&M.
797' F&L 499' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



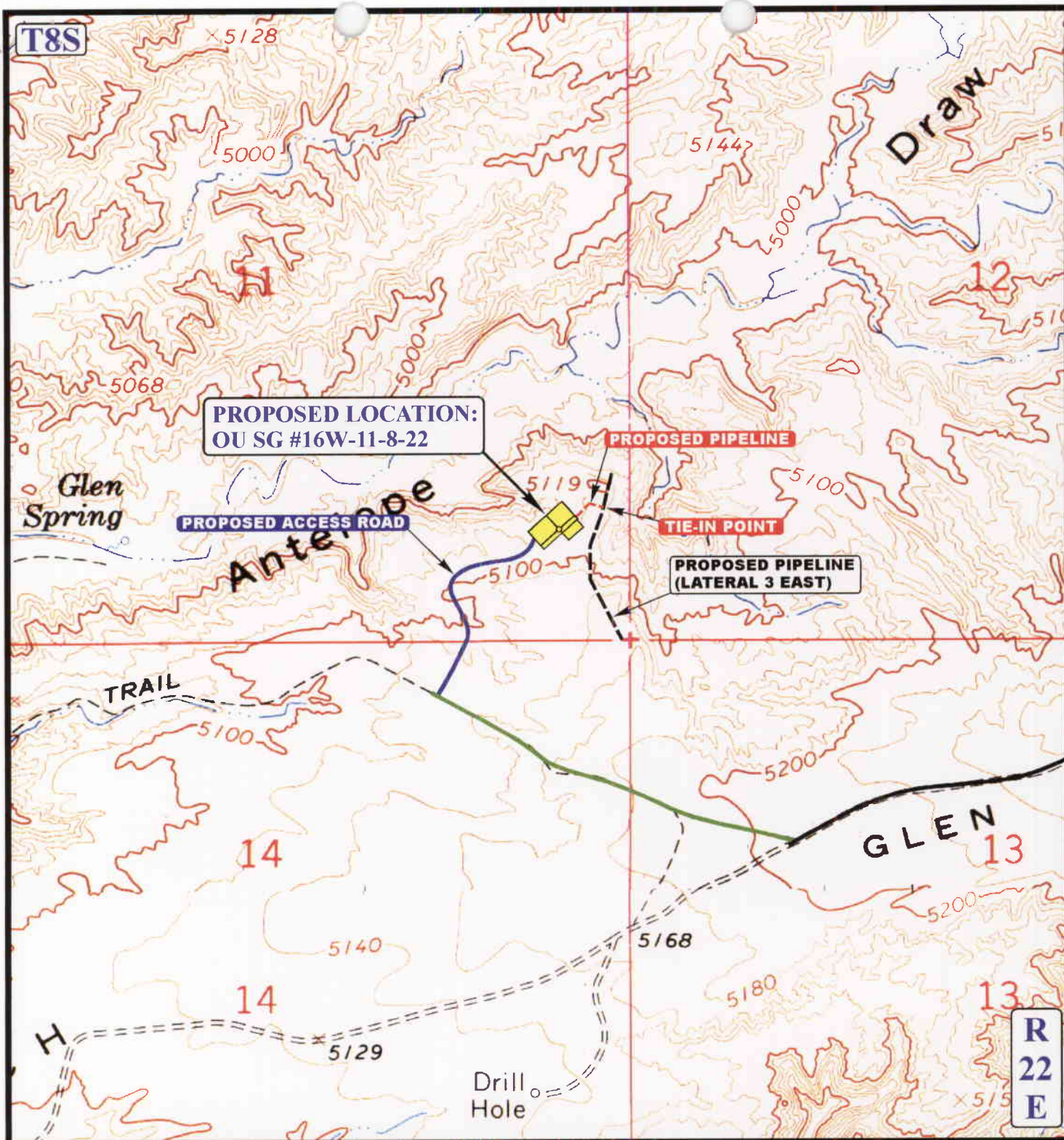
TOPOGRAPHIC
MAP

02 27 03
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE = 250' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

QUESTAR EXPLR. & PROD.

OU SG #16W-11-8-22
SECTION 11, T8S, R22E, S.L.B.&M.
797' RNL 499' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

02 27 03
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



CONFIDENTIAL

QUESTAR EXPLR. & PROD.

OU SG #16W-11-8-22

LOCATED IN UINTAH COUNTY, UTAH

SECTION 11, T8S, R22E, S.L.B.&M.

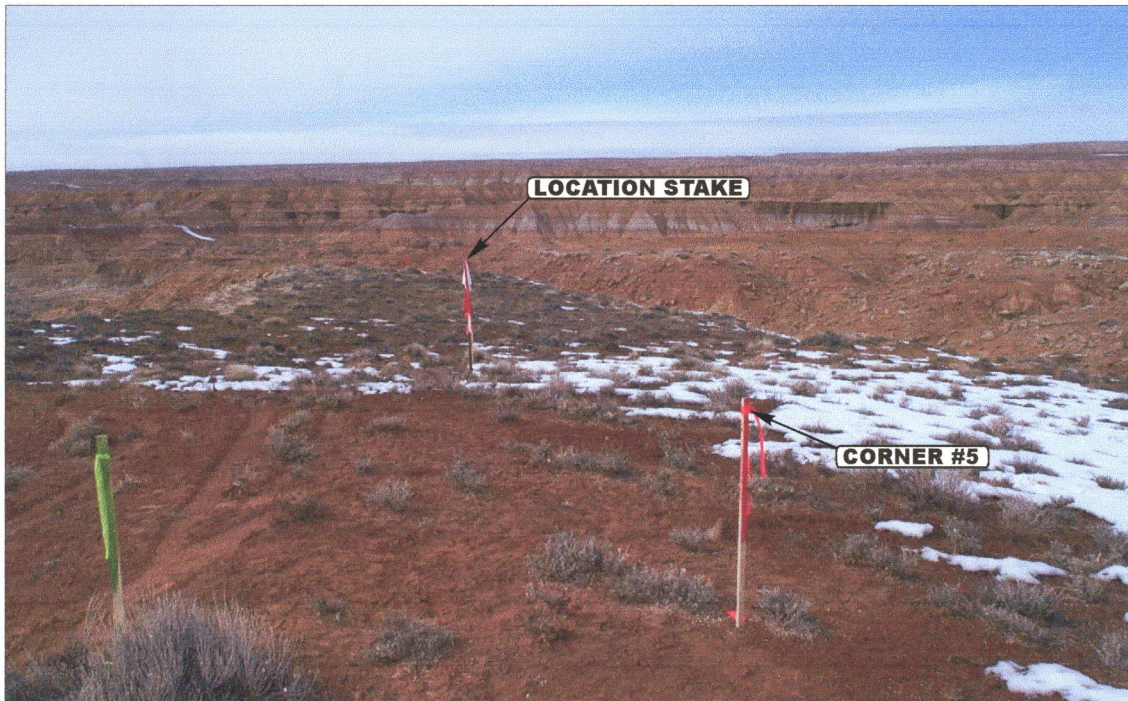


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

02 27 03
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: P.M.

REVISED: 00-00-00

CONFIDENTIAL

003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/02/2003

API NO. ASSIGNED: 43-047-35376

WELL NAME: OU SG 16W-11-8-22

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: RALEEN SEARLE

PHONE NUMBER: 435-781-4309

PROPOSED LOCATION:

SESE 11 080S 220E

SURFACE: 0797 FSL 0499 FEL

BOTTOM: 0797 FSL 0499 FEL

UINTAH

KENNEDY WASH (618)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73687

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSTC

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Geology

Surface

LATITUDE: 40.13218

LONGITUDE: 109.39885

RECEIVED AND/OR REVIEWED:

☒ Plat☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)☒ Potash (Y/N)☒ Oil Shale 190-5 (B) or 190-3 or 190-13☒ Water Permit
(No. 43-8496)☒ RDCC Review (Y/N)
(Date:)☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

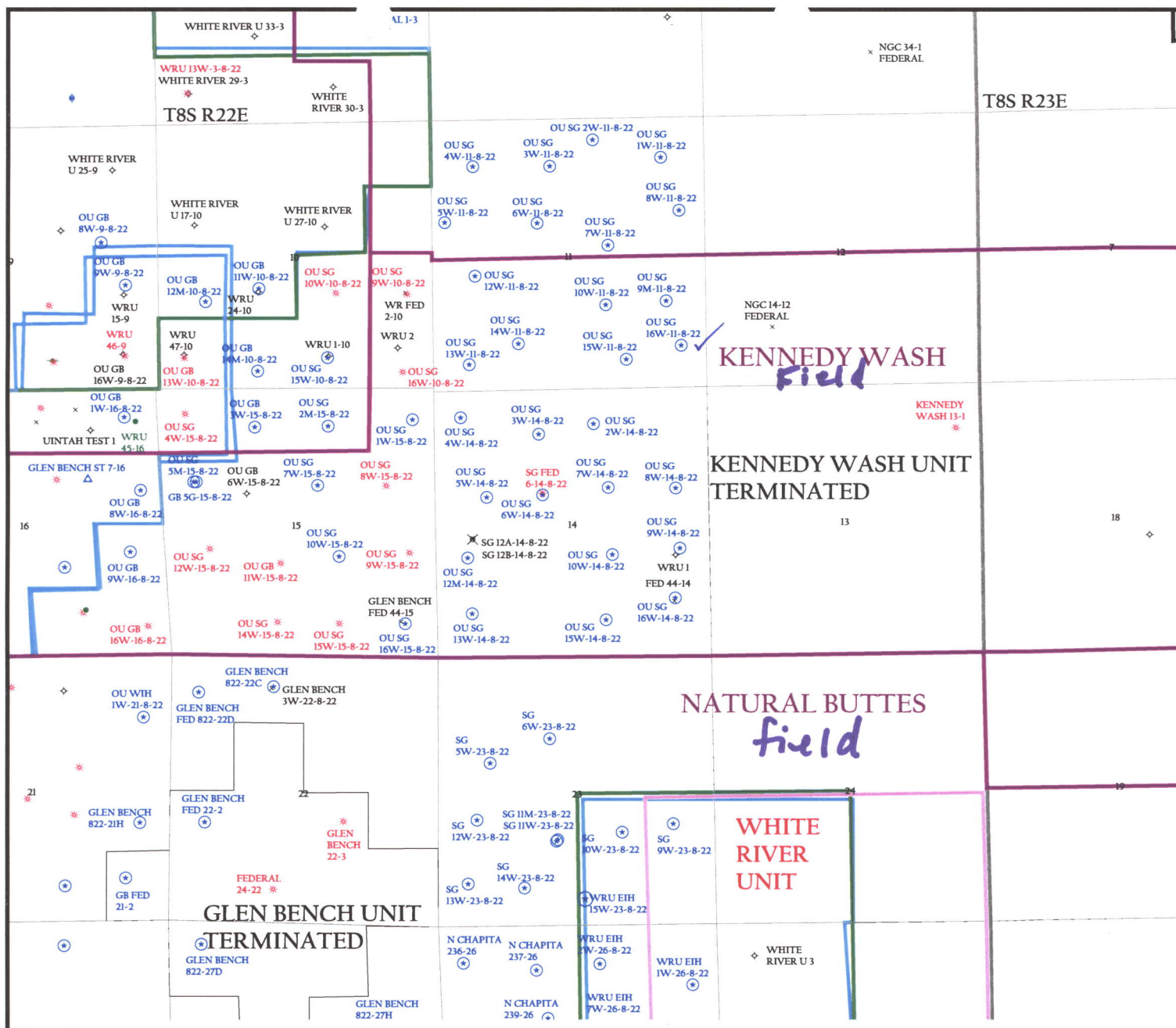
R649-3-11. Directional Drill

COMMENTS:

Sop, Separate file

STIPULATIONS:

1- Federal Approval
2- Spacing Strip



OPERATOR: QEP UINTA BASIN INC (N2460)

SEC. 11 T.8S, R.22E

FIELD: KENNEDY WASH (618)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Wells

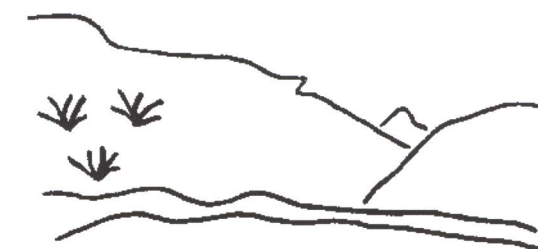
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 03-DECEMBER-2003



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

December 4, 2003

QEP - Uinta Basin, Inc.
11002 E 17500 S
Vernal, UT 84078

Re: Over and Under Sage Grouse 16W-11-8-22 Well, 797' FSL, 499' FEL, SE SE, Sec. 11,
T. 8 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35376.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: QEP - Uinta Basin, Inc.
Well Name & Number Over and Under Sage Grouse 16W-11-8-22
API Number: 43-047-35376
Lease: UTU-73687

Location: SE SE Sec. 11 T. 8 South R. 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

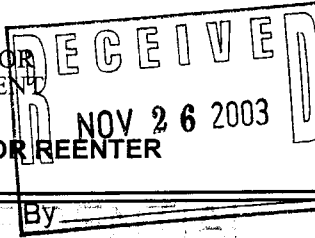
4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

005

APPLICATION FOR PERMIT TO DRILL OR REENTER



FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-73687
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator QEP - UINTA BASIN INC		7. If Unit or CA Agreement, Name and No.
Contact: RALEEN SEARLE E-Mail: raleen.searle@questar.com		8. Lease Name and Well No. OU SG 16W-11-8-22
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329	9. API Well No. 43-047-35376
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE 797FSL 499FEL 40.13211 N Lat, 109.39961 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory KENNEDY WASH
14. Distance in miles and direction from nearest town or post office* 32 +/- MILES SOUT WEST FROM VERNAL, UT		11. Sec., T., R., M., or Blk. and Survey or Area Sec 11 T8S R22E Mer SLB SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 499' +/-	16. No. of Acres in Lease 1595.00	12. County or Parish UINTAH
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1000' +/-	19. Proposed Depth 7990 MD	13. State UT
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5088 KB	22. Approximate date work will start	17. Spacing Unit dedicated to this well 40.00
		20. BLM/BIA Bond No. on file ESB000024
		23. Estimated duration 10 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) RALEEN SEARLE	Date 11/26/2003
Title REGULATORY AFFAIRS ANALYST		
RECEIVED		
Approved by (Signature) 	Name (Printed/Typed) DIV. OF OIL, GAS & MINING	Date APR 21 2004
Title Assistant Field Manager Mineral Resources	Date 04/19/2004	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

NOTICE OF APPROVAL

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #25540 verified by the BLM Well Information System
For QEP - UINTA BASIN INC, sent to the Vernal
Committed to AFMSS for processing by LESLIE WALKER on 12/04/2003 ()

CONDITIONS OF APPROVAL ATTACHED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

04PS1071A

105 10/31/03

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP Uintah Basin Inc.

Well Name & Number: OU SG 16W-11-8-22

API Number: 43-047-35376

Lease Number: U-73687

Location: SESE Sec. 11 T.8S R. 22E

Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the top of the Green River formation which has been identified at $\pm 2730'$.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supercede the requirement for submittal of paper logs to the BLM.

Other Information

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Paleontological monitoring will be required for this location during the construction of the access road, reserve pit and well pad.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

006

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

UTU-73687

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
OU SG 16W-11-8-22

9. API Well No.
43-047-35376

10. Field and Pool, or Exploratory Area
KENNEDY WASH

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
☐ Well ☒ Well ☐ Other

CONFIDENTIAL

2. Name of Operator QEP UINTA BASIN, INC. Contact: Jan Nelson
Email: Jan.Nelson@questar.com

3. Address and Telephone No
11002 E. 17500 S. VERNAL, UT 84078-8526 (435) 781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SESE 797' FSL 499' FEL SEC. 11, T8S, R22E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>APD Extension</u>	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD for the OU SG 16W-11-8-22.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-16-04
By: [Signature]

RECEIVED

DEC 14 2004

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 12-12-04
Initials: C/H

14. I hereby certify that the foregoing is true and correct.
Signed Jan Nelson Title Regulatory Affairs Analyst Date 12-13-04

(This space for Federal or State official use)

Approved by: Title Date

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-35376
Well Name: OUSG 16W-11-8-22
Location: SESE 797' FSL 499' FEL SEC. 11, T8S, R22E
Company Permit Issued to: QEP UINTA BASIN INC.
Date Original Permit Issued: 12/4/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Jan Nelson
Signature

12/13/2004

Date

RECEIVED

DEC 14 2004

Title: Regulatory Affairs Analyst

DEPT. OF OIL, GAS & MINING

Representing: QEP UINTA BASIN INC.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

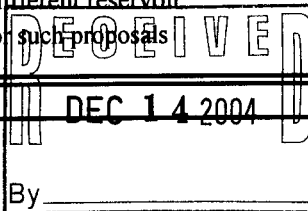
007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir

Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE



1. Type of Well

Oil ☐ Gas ☐
Well ☒ Well ☐ Other ☐

2. Name of Operator

QEP UINTA BASIN, INC.

Contact: Jan Nelson

Email: Jan.Nelson@questar.com

3. Address and Telephone No

11002 E. 17500 S. VERNAL, UT 84078-8526

(435) 781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SESE 797' FSL 499' FEL SEC. 11, T8S, R22E

UTU-73687

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

OU SG 16W-11-8-22

9. API Well No.

43-047-35376

10. Field and Pool, or Exploratory Area

KENNEDY WASH

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION



Notice of Intent



Subsequent Report



Final Abandonment Notice

TYPE OF ACTION



Abandonment



Recompletion



Plugging Back



Casing Repair



Altering Casing



Other APD Extension



Change of Plans



New Construction



Non-Routine Fracturing



Water Shut-Off



Conversion to Injection



Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD for the OU SG 16W-11-8-22.

RECEIVED
JAN 31 2005

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.

Signed Jan Nelson

Title

Regulatory Affairs Analyst

Date

12-13-04

(This space for Federal or State office use)

Title

Petroleum Engineer

Date

JAN 14 2005

Approved by:

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

UDOGM

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-35376
Well Name: OUSG 16W-11-8-22
Location: SESE 797' FSL 499' FEL SEC. 11, T8S, R22E
Company Permit Issued to: QEP UINTA BASIN INC.
Date Original Permit Issued: 4/19/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature

12/13/2004

Date

Title: Regulatory Affairs Analyst

Representing: QEP UINTA BASIN INC.

QEP Uinta Basin Inc.
APD Extension

Well: OU SG 16W- 11-8-22

Location: SESE Sec. 11, T08S, R22E

Lease: UTU-73687

Conditions of Approval

An extension for the referenced APD is granted with the following condition(s):

1. The extension will expire 04/19/06
2. No other extensions beyond that period will be granted or allowed.

If you have any other questions concerning this matter, please contact Michael Lee at (435) 781-4432.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER CONFIDENTIAL

2. NAME OF OPERATOR:
QEP UINTA BASIN, INC

3. ADDRESS OF OPERATOR:
11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-4331

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 797 FSL 499 FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 11 8S 22E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-73687

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
OU SG 16W-11-8-22

9. API NUMBER:
4304735376

10. FIELD AND POOL, OR WILDCAT:
KENNEDY WASH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the OU SG 16W-11-8-22.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-19-06

By: [Signature]

COPY SENT TO OPERATOR
Date: 1-24-06
Initials: CMO

NAME (PLEASE PRINT) Jan Nelson

TITLE Regulatory Affairs

SIGNATURE [Signature]

DATE 1/13/2006

(This space for State use only)

RECEIVED
JAN 17 2006

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-35376
Well Name: OU SG 16W-11-8-22
Location: 797 FSL 499 FEL SESE SEC. 11 T8S R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 12/4/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

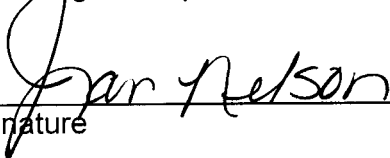
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

1/13/2006

Date

Title: REGULATORY AFFAIRS

Representing: QEP UINTA BASIN, INC.

RECEIVED

JAN 17 2006

DIV. OF OIL, GAS & MINING



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 24, 2007

Laura Bills
QEP Uinta Basin Inc.
1571 East 1700 South
Vernal, Utah 84078

Re: APD Rescinded -OUSG 16W-11-8-22 Sec. 11 T. 8 R. 22E
Uintah County, Utah API No. 43-047-35376

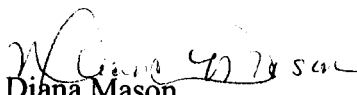
Dear Ms. Bills:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 4, 2003. On December 16, 2004 and January 19, 2006, the Division granted a one-year APD extension. On January 23, 2007, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 23, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160

UT08300

February 2, 2007

Jan Nelson
QEP-Uinta Basin, Inc.
1571 East 1700 South
Vernal, UT 84078

435-47-35374

Re: Notification of Expiration
Well No. OUSG 16W-11-8-22
SESE, Sec. 11, T8S, R22E
Uintah County, Utah
Lease No. UTU-73687

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on April 19, 2004. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until April 19, 2006. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

/s/Sandra Sather

Sandra Sather
Land Law Examiner

cc: UDOGM

bcc: Well file
Reading file
ES

U-924

RECEIVED

FEB 07 2007

DIV. OF OIL, GAS & MINING